

## FACT SHEET ON GIFTS FROM LOBBYISTS

The City's Lobbying Ordinance imposes limitations on the value of gifts that a lobbyist may give to a City Official. These gift rules apply to Lobbying Firms (i.e., entities that lobby on behalf of clients), Organization Lobbyists (i.e., businesses and organizations whose owners, officers, or employees lobby on behalf of the business or organization), and their lobbyists. This fact sheet is designed to explain the nature and scope of this limitation. It offers general guidance, but should not be considered a substitute for the actual language contained in the Lobbying Ordinance.

### GENERAL RULES

- ❖ A "gift" is anything that confers a personal benefit on an individual, to the extent that consideration of equal or greater value is not received in exchange. It includes a discount in the price of anything of value unless that discount is made in the regular course of business to members of the public.
- ❖ The Lobbying Ordinance prohibits Lobbying Firms, Organization Lobbyists, and any individual lobbyist from giving gifts valued at more than \$10 to a City Official in a single calendar month.
- ❖ These gift limits are intentionally low in order to discourage lobbyists from giving gifts to City Officials, but are not so low as to make a violation out of an isolated incident where a lobbyist provides someone with a cup of coffee or other item of nominal value.
- ❖ This limitation applies to the aggregate value of gifts. For example, a lobbyist who pays for a City Official's \$7 sandwich and \$4 beverage has exceeded the \$10 limit.
- ❖ This limitation also applies to the aggregate activities of the lobbying entity and its lobbyists. In other words, a \$6 movie ticket from a lobbyist and a \$5 keychain provided by that lobbyist's Lobbying Firm will also exceed the \$10 limit if given in the same month.
- ❖ The limitation applies not only to gifts that a lobbyist gives directly to a City Official, but also to gifts that are given indirectly or where the lobbyist or lobbying entity acts as an intermediary. The following are examples of gifts that are subject to the gift limits:
  - ✓ an organization hosting a gala event gives invitations to a lobbyist and asks the lobbyist to deliver them to City Officials;
  - ✓ a Lobbying Firm authorizes an employee to bill a client's account to purchase a meal for a City Official;
  - ✓ the client of a lobbyist gives the lobbyist tickets to a ballgame with the understanding that the lobbyist will deliver the tickets to a City Official.
- ❖ Because of the \$10 gift limits, and because lobbying entities are only required to report activity expenses that exceed \$10, lobbying entities should have no gifts to report on their quarterly disclosure reports.

## EXCEPTIONS

- ❖ The gift exceptions contained in the City's Ethics Ordinance apply to the Lobbying Ordinance's gift rules. For example, the following would not be subject to the \$10 limit:
  - ✓ a gift from lobbyist who happens to be a family member of the City Official who received the gift;
  - ✓ a personalized plaque with a value of less than \$250;
  - ✓ tickets to fundraisers for campaign committees or for 501(c)(3) charities;
  - ✓ hospitality in a lobbyist's home; and
  - ✓ free or discounted admission to a seminar or conference that will assist the Official in the performance of his or her official duties.
- ❖ Note that one of the gift exemptions in the Ethics Ordinance does not apply to lobbyists; the exemption for gifts exchanged on holidays and birthdays expressly excludes lobbyists.
- ❖ The \$10 gift limit does not apply to tickets or invitations to events held for non-profit entities. For example, a lobbyist may give an invitation valued at \$150 to the Chamber of Commerce's annual dinner without exceeding the \$10 limit.
  - ✓ This exception applies to any event held for a non-profit entity, including events that are not considered fundraisers.
  - ✓ Note that this exception is specific to the Lobbying Ordinance and does not apply to a City Official's duties and obligations under the City's Ethics Ordinance. A City Official will have to report gifts of tickets and invitations to events held for non-profit entities unless a specific exception exists in the Ethics Ordinance. Such gifts could also exceed the Ethics Ordinance's gift limit (currently \$390 in a calendar year) and trigger the Ethics Ordinance's disqualification provisions.
- ❖ If a lobbyist or lobbying entity gives a City Official a gift in excess of the \$10 limit, but the official reimburses the source of the gift within 30 calendar days, no violation will have occurred. For example, Bill is a lobbyist who invites Carol, a City Official, to a seminar that Bill's firm is hosting. Because the information provided at the seminar will help Carol in the performance of her City duties, Carol's attendance at that seminar is not a gift. However, Carol ate a lunch at the seminar and the lunch, which had a \$25 value, is not exempt from the gift limits. When Carol realizes this, she writes a \$25 check to Bill's firm, and does so within 30 days of the seminar. Under this scenario, Carol has not received a gift from Bill or Bill's firm. Bill's firm does not need to report the lunch on its quarterly disclosure report.

If you have any questions concerning the gift provisions of the City's Lobbying Ordinance, please contact the Ethics Commission at (619) 533-3476.

Rev. 9/10/07